

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 22-10964-mg

4 - - - - - x

5 In the Matter of:

6

7 CELSIUS NETWORK LLC,

8

9 Debtor.

10 - - - - - x

11 United States Bankruptcy Court

12 One Bowling Green

13 New York, NY 10004

14

15 November 9, 2023

16 10:59 AM

17

18

19

20

21 B E F O R E :

22 HON MARTIN GLENN

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: UNKNOWN

1 HEARING re Status Conference

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 WHITE & CASE LLP

4 Attorneys for the Official Committee of Unsecured
5 Creditors

6 555 South Flower Street, Suite 2700

7 Los Angeles, CA 90071

8

9 BY: AARON COLODNY

10

11

12 UNITED STATES DEPARTMENT OF JUSTICE

13 Attorneys for the U.S. Trustee

14 201 Varick Street, Suite 1006

15 New York, NY 10014

16

17 BY: SHARA CORNELL

18 MARK BRUH

19

20 KIRKLAND & ELLIS LLP

21 Attorneys for the Debtor

22 300 North LaSalle

23 Chicago, IL 60654

24

25 BY: CHRIS KOENIG

1 P R O C E E D I N G S

2 THE COURT: All right. Good morning, everybody.

3 I wanted to have this call today because I think this is
4 really the last issue that I think I need to resolve.

5 And, Ms. Cornell, I got your letter that you sent.
6 Give me a moment here.

7 I'm not sure whether this is going to satisfy you
8 entirely, Ms. Cornell. I agree with much of what you've
9 said. But here's what I would propose to -- what I am going
10 to do I think, unless you can persuade me otherwise. If you
11 look at Paragraph 319 of the confirmation order -- and I
12 understand from one of my clerks, Mr. Koenig, you wanted to
13 add a separate paragraph, and you can't. What's getting
14 filed has other changes in it, and you're not going to screw
15 up the pagination and numbering of everything else. Okay.

16 So what I am proposing to do and what I want to
17 give you a chance, Ms. Cornell, to understand and everybody
18 and the Committee and the Debtor to understand is if you
19 look, 319C is the paragraph on exculpated parties. Do you
20 have it in front of you, Ms. Cornell? Okay.

21 MS. CORNELL: Yes. I'm sorry. Yes, I do. Thank
22 you.

23 THE COURT: Mr. Colodny, do you have it as well?
24 And Mr. Koenig. You both can -- you all can unmute.
25 There's only three of us.

1 MR. COLODNY: Good morning Your Honor.

2 MR. KOENIG: I'm pulling it up, Your Honor.

3 THE COURT: Okay. You know, it amends the plan on
4 exculpated parties and it says what they mean, what it
5 means. And it has subparagraphs A through O. O is any
6 other person or entity identified in the schedule of
7 released and exculpated parties. I then proposed to add the
8 following sentence. I'll read it slowly and if you want me
9 to read it again, I will.

10 "The Debtors shall file a revised schedule of
11 released and exculpated parties containing the identities of
12 the parties released and exculpated as distribution agents
13 no later than 14 days prior to the effective date."

14 What you had circulated was seven days. It's not
15 enough time. Okay, 14 days. And then it goes on.

16 "The Debtors shall attach to the revised schedule
17 one or more declarations setting forth the reasons why each
18 such party should be released and exculpated as distribution
19 agents. The U.S. Trustee shall have seven days after the
20 Debtors file such revised schedule of released and
21 exculpated parties to file any responsive pleading to the
22 release and exculpation of such distribution agent parties,
23 which shall be resolved by the Bankruptcy Court if
24 necessary."

25 And then it goes on from what the Debtor

1 circulated. If the U.S. Trustee does not timely file a
2 responsive pleading or revised schedule shall be deemed
3 incorporated.

4 Essentially the point you made in your letter, Ms.
5 Cornell, I agree with. I mean, I don't want to quibble with
6 whether they should be able to identify them now. I mean, a
7 lot could happen between now and the effective date. I
8 don't even know whether, you know, we'll go forward with the
9 plan. It may go to the orderly winddown. I don't know. So
10 a lot could change before then.

11 So I could understand the uncertainty about who
12 all are the distribution parties. I want to know who they
13 are. I want to know why they were added. That's why I've
14 added the sentence about requiring one or more declarations.
15 And I want to give the U.S. Trustee sufficient time to
16 object. And so that's what I -- you know, that may not
17 resolve your concerns entirely, Ms. Cornell, but I am trying
18 to -- you know, I agree with the issue you raised. What I
19 don't want to do is block you in. They said seven days.
20 They give you a list. You don't know who these people are.
21 There ought to be an explanation of who they are. And it
22 gives you enough time so if you still have questions, you'll
23 deal with them. And if you file an objection, I'm going to
24 work it out.

25 I don't know. That's not entirely -- I tried to

1 meet the thrust of what your concern was, Ms. Cornell,
2 because I agree with it. Okay.

3 Now, I don't know whether Mr. Koenig saying you've
4 got to do this 14 days before, I think that's plenty of
5 time. We're not rushing to the effective date at this
6 point. There's a lot of things that have to get done.

7 MR. KOENIG: Yeah, no. Your Honor, good morning,
8 Chris Koenig, Kirkland & Ellis, for Celsius. We obviously
9 have to talk to the distribution agents. That seems fine to
10 me. The thing about this case is you never know exactly
11 when the effective date is going to occur.

12 THE COURT: I know.

13 MR. KOENIG: And that's my only hesitation. But
14 frankly, it tends to be pushed out later rather than get
15 moved up. Right?

16 THE COURT: Yes. It should only happen that --
17 you know.

18 MR. KOENIG: Right. No. So we understand the
19 point. And what I was most concerned about was the timing.
20 Because as you pointed out, we don't know exactly what
21 enemies -- we're still working through -- I have three
22 distribution calls a week to try to coordinate all of this.
23 And we just don't know exactly which legal entities are
24 going to be involved at this moment. I think two weeks
25 before the effective date, we will.

1 THE COURT: Okay. Look, if you want to avoid a
2 problem with the UST, give them -- you know, these
3 declarations have a full explanation of who these people are
4 and why.

5 MR. KOENIG: Of course.

6 THE COURT: And then if you have to, you'll work
7 it out with Ms. Cornell.

8 MR. KOENIG: Right. Here are the legal entities
9 that are related to PayPal who were making the --

10 THE COURT: Right.

11 MR. KOENIG: This legal entity is involved in KYC,
12 or whatever.

13 THE COURT: Okay. Mr. Colodny, do you want to be
14 heard?

15 MR. COLODNY: Your Honor, I would just ask that
16 the Committee be added to the parties that may object to
17 that. I don't anticipate -- I anticipate working with Mr.
18 Koenig and Ms. Cornell --

19 THE COURT: I will change it to the U.S. Trustee
20 and the Committee.

21 MR. COLODNY: Thank you, Your Honor.

22 THE COURT: Remind me, is Committee a defined term
23 in here?

24 MR. COLODNY: It is, Your Honor. It's in that
25 paragraph. It's in E. You can see that it's a capitalized

1 defined term.

2 THE COURT: Okay. All right. So I'm just
3 changing it to the U.S. Trustee and the Committee shall have
4 seven days. If the U.S. Trustee and Committee does not
5 timely, you know -- okay. Let me just make sure.

6 Okay. So the changes I'm making now -- so it will
7 say what the Debtor has to file and then it's going to --
8 the U.S. Trustee and the Committee shall have seven days
9 after the Debtors file such revised schedule of released and
10 exculpated parties to file any response to pleading. If the
11 U.S. Trustee and -- I should say or Committee. If the U.S.
12 Trustee or Committee does not timely file a responsive
13 pleading, the revised schedule of released and exculpated
14 parties shall be deemed incorporated into the plan. For
15 avoidance of doubt, if the U.S. Trustee of the Committee
16 timely files a responsive pleading, the Debtors agree that
17 the (indiscernible) effective date shall not moot any
18 arguments. Okay?

19 MR. KOENIG: That works.

20 THE COURT: I agree with your point, Mr. Colodny.
21 All right. No secret. I am going to -- what I am issuing
22 today is this confirmation order. And as soon as I have the
23 ECF document number for that, a short opinion is going to be
24 filed as well. And while the confirmation order tracks
25 fairly closely to what has been submitted, there are changes

1 to it without changing the paragraph numbers. I didn't want
2 to have to go through it and do that. That's why I didn't
3 want to do this as a separate paragraph, Mr. Koenig.

4 MR. KOENIG: Understood, Your Honor.

5 THE COURT: But everybody should read it
6 carefully. It's not -- anyway, nothing super major with it.
7 Okay? But there are some little changes here and there.

8 MR. KOENIG: Understood.

9 THE COURT: Okay. All right. Ms. Cornell, if you
10 want to -- if you want to put your objection -- continue to
11 object on the record, you can do that.

12 MS. CORNELL: Well, thank you, Your Honor. Just
13 for clarity of the record.

14 THE COURT: Sure.

15 MS. CORNELL: For the list of the distributing
16 agents, if any work is being done now that would be included
17 in that exculpation negotiating or otherwise if they are
18 intending to be included. We would request that those
19 parties also be listed, not just the ultimate distributor.

20 MR. KOENIG: I would say anybody that's going to
21 be covered by the release of the exclamation should be
22 listed.

23 THE COURT: Yeah. They'd better be listed in the
24 schedule or they're not going to get the exculpation.

25 MS. CORNELL: Thank you. I just wanted it on the

1 record. Thank you.

2 THE COURT: Yeah. But again, I'm not trying to --
3 you had an objection. If you want to preserve your
4 objection, you can do that. This is how I've tried to
5 accommodate the U.S. Trustee's concerns because I think they
6 were valid.

7 MS. CORNELL: Thank you, Your Honor.

8 THE COURT: Okay. Anything else for today?

9 MS. CORNELL: No thank you.

10 THE COURT: All right. So hopefully -- since the
11 Court was closed tomorrow, I wanted to get -- I'm desperate
12 to get this out, you know. All right. We are adjourned.
13 Thank you very much.

14 (Whereupon these proceedings were concluded.)
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.



Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: November 14, 2023

[& - deal]

Page 1

&	accurate 12:4	ca 3:7	concluded
& 3:3,20 7:8	add 4:13 5:7	call 4:3	11:14
1	added 6:13,14 8:16	calls 7:22	conference 2:1
10004 1:13	adjourned 11:12	capitalized 8:25	confirmation 4:11 9:22,24
10014 3:15	agent 5:22	carefully 10:6	containing 5:11
1006 3:14	agents 5:12,19 7:9 10:16	case 1:3 3:3 7:10	continue 10:10
10:59 1:16	agree 4:8 6:5 6:18 7:2 9:16 9:20	celsius 1:7 7:8	coordinate 7:22
11501 12:23	amends 5:3	certified 12:3	cornell 3:17 4:5,8,17,20,21 6:5,17 7:1 8:7 8:18 10:9,12 10:15,25 11:7 11:9
12151 12:7	angeles 3:7	chance 4:17	country 12:21
14 5:13,15 7:4 12:25	anticipate 8:17 8:17	change 6:10 8:19	course 8:5
2	anybody 10:20	changes 4:14 9:6,25 10:7	court 1:1,11 4:2,23 5:3,23 7:12,16 8:1,6 8:10,13,19,22 9:2,20 10:5,9 10:14,23 11:2 11:8,10,11
201 3:14	anyway 10:6	changing 9:3 10:1	covered 10:21
2023 1:15 12:25	arguments 9:18	chicago 3:23	creditors 3:5
22-10964 1:3	attach 5:16	chris 3:25 7:8	d
2700 3:6	attorneys 3:4 3:13,21	circulated 5:14 6:1	d 4:1
3	avoid 8:1	clarity 10:13	date 5:13 6:7 7:5,11,25 9:17 12:25
300 3:22 12:22	avoidance 9:15	clerk 4:12	days 5:13,14 5:15,19 6:19 7:4 9:4,8
319 4:11	b	closed 11:11	deal 6:23
319c 4:19	b 1:21	closely 9:25	
330 12:21	bankruptcy 1:1,11,23 5:23	colodny 3:9 4:23 5:1 8:13 8:15,21,24 9:20	
5	better 10:23	committee 3:4 4:18 8:16,20 8:22 9:3,4,8,11 9:12,15	
555 3:6	block 6:19	concern 7:1	
6	bowling 1:12	concerned 7:19	
60654 3:23	bruh 3:18	concerns 6:17 11:5	
9	c		
9 1:15	c 3:1 4:1 12:1,1		
90071 3:7			
a			
aaron 3:9			
able 6:6			
accommodate 11:5			

debtor 1:9 3:21 4:18 5:25 9:7 debtors 5:10 5:16,20 9:9,16 declarations 5:17 6:14 8:3 deemed 6:2 9:14 defined 8:22 9:1 department 3:12 desperate 11:11 distributing 10:15 distribution 5:12,18,22 6:12 7:9,22 distributor 10:19 district 1:2 document 9:23 doubt 9:15	entities 7:23 8:8 entity 5:6 8:11 essentially 6:4 everybody 4:2 4:17 10:5 exactly 7:10,20 7:23 exclamation 10:21 exculpated 4:19 5:4,7,11 5:12,18,21 9:10,13 exculpation 5:22 10:17,24 explanation 6:21 8:3	g g 4:1 getting 4:13 give 4:6,17 6:15,20 8:2 gives 6:22 glenn 1:22 go 6:8,9 10:2 goes 5:15,25 going 4:7,9,14 6:23 7:11,24 9:7,21,23 10:20,24 good 4:2 5:1 7:7 green 1:12	included 10:16 10:18 incorporated 6:3 9:14 indiscernible 9:17 intending 10:18 involved 7:24 8:11 issue 4:4 6:18 issuing 9:21
e e 1:21,21 3:1,1 4:1,1 8:25 12:1 ecf 9:23 ecro 1:25 effective 5:13 6:7 7:5,11,25 9:17 ellis 3:20 7:8 enemies 7:21 entirely 4:8 6:17,25	f f 1:21 12:1 fairly 9:25 file 5:10,20,21 6:1,23 9:7,9,10 9:12 filed 4:14 9:24 files 9:16 fine 7:9 flower 3:6 following 5:8 foregoing 12:3 forth 5:17 forward 6:8 frankly 7:14 front 4:20 full 8:3	h happen 6:7 7:16 heard 8:14 hearing 2:1 hesitation 7:13 hon 1:22 honor 5:1,2 7:7 8:15,21,24 10:4,12 11:7 hopefully 11:10 hyde 2:25 12:3 12:8	j judge 1:23 justice 3:12
k kirkland 3:20 7:8 know 5:3 6:8,8 6:9,12,13,16 6:18,20,25 7:3 7:10,12,17,20 7:23 8:2 9:5 11:12 koenig 3:25 4:12,24 5:2 7:3 7:7,8,13,18 8:5 8:8,11,18 9:19 10:3,4,8,20 kyc 8:11	i identified 5:6 identify 6:6 identities 5:11 il 3:23	l lasalle 3:22 ledanski 2:25 12:3,8 legal 7:23 8:8 8:11 12:20	

[letter - rushing]

Page 3

letter 4:5 6:4 list 6:20 10:15 listed 10:19,22 10:23 little 10:7 llc 1:7 llp 3:3,20 look 4:11,19 8:1 los 3:7 lot 6:7,10 7:6	network 1:7 never 7:10 new 1:2,13 3:15 north 3:22 november 1:15 12:25 number 9:23 numbering 4:15 numbers 10:1 ny 1:13 3:15 12:23	pagination 4:15 paragraph 4:11,13,19 8:25 10:1,3 parties 4:19 5:4,7,11,12,21 5:22 6:12 8:16 9:10,14 10:19 party 5:18 paypal 8:9 people 6:20 8:3 person 5:6 persuade 4:10 plan 5:3 6:9 9:14 pleading 5:21 6:2 9:10,13,16 plenty 7:4 point 6:4 7:6 7:19 9:20 pointed 7:20 preserve 11:3 prior 5:13 problem 8:2 proceedings 11:14 12:4 propose 4:9 proposed 5:7 proposing 4:16 pulling 5:2 pushed 7:14 put 10:10	r r 1:21 3:1 4:1 12:1 raised 6:18 rather 7:14 read 5:8,9 10:5 really 4:4 reasons 5:17 record 10:11 10:13 11:1 12:4 related 8:9 release 5:22 10:21 released 5:7,11 5:12,18,20 9:9 9:13 remind 8:22 request 10:18 requiring 6:14 resolve 4:4 6:17 resolved 5:23 response 9:10 responsive 5:21 6:2 9:12 9:16 revised 5:10,16 5:20 6:2 9:9,13 right 4:2 7:15 7:18 8:8,10 9:2 9:21 10:9 11:10,12 road 12:21 rushing 7:5
m	o	q	
made 6:4 major 10:6 make 9:5 making 8:9 9:6 mark 3:18 martin 1:22 matter 1:5 mean 5:4 6:5,6 means 5:5 meet 7:1 mg 1:3 mineola 12:23 moment 4:6 7:24 moot 9:17 morning 4:2 5:1 7:7 moved 7:15	o 1:21 4:1 5:5,5 12:1 object 6:16 8:16 10:11 objection 6:23 10:10 11:3,4 obviously 7:8 occur 7:11 official 3:4 okay 4:15,20 5:3,15 7:2 8:1 8:13 9:2,5,6,18 10:7,9 11:8 old 12:21 opinion 9:23 order 4:11 9:22,24 orderly 6:9 ought 6:21	questions 6:22 quibble 6:5	
n	p		
n 3:1 4:1 12:1 necessary 5:24 need 4:4 negotiating 10:17	p 3:1,1 4:1		

s	subparagraphs	true 12:4	w
s 3:1 4:1	5:5	trustee 3:13	want 4:16 5:8
satisfy 4:7	sufficient 6:15	5:19 6:1,15	6:5,12,13,15
saying 7:3	suite 3:6,14	8:19 9:3,4,8,11	6:19 8:1,13
says 5:4	12:22	9:12,15	10:1,3,10,10
schedule 5:6	super 10:6	trustee's 11:5	11:3
5:10,16,20 6:2	sure 4:7 9:5	try 7:22	wanted 4:3,12
9:9,13 10:24	10:14	trying 6:17	10:25 11:11
screw 4:14	t	11:2	week 7:22
secret 9:21	t 12:1,1	two 7:24	weeks 7:24
see 8:25	talk 7:9	u	white 3:3
seems 7:9	tends 7:14	u.s. 1:23 3:13	winddown 6:9
sent 4:5	term 8:22 9:1	5:19 6:1,15	work 6:24 8:6
sentence 5:8	thank 4:21	8:19 9:3,4,8,11	10:16
6:14	8:21 10:12,25	9:11,15 11:5	working 7:21
separate 4:13	11:1,7,9,13	ultimate 10:19	8:17
10:3	thing 7:10	uncertainty	works 9:19
setting 5:17	things 7:6	6:11	x
seven 5:14,19	think 4:3,4,10	understand	x 1:4,10
6:19 9:4,8	7:4,24 11:5	4:12,17,18	y
shara 3:17	three 4:25 7:21	6:11 7:18	yeah 7:7 10:23
short 9:23	thrust 7:1	understood	11:2
signature 12:7	time 5:15 6:15	10:4,8	york 1:2,13
slowly 5:8	6:22 7:5	united 1:1,11	3:15
solutions 12:20	timely 6:1 9:5	3:12	
sonya 2:25	9:12,16	unknown 1:25	
12:3,8	timing 7:19	unmute 4:24	
soon 9:22	today 4:3 9:22	unsecured 3:4	
sorry 4:21	11:8	ust 8:2	
south 3:6	tomorrow	v	
southern 1:2	11:11	valid 11:6	
states 1:1,11	tracks 9:24	varick 3:14	
3:12	transcribed	veritext 12:20	
status 2:1	2:25		
street 3:6,14	transcript 12:4		
submitted 9:25	tried 6:25 11:4		